

Message Text

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ACTION EA-10

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TAGS: ECON, CH

SUBJ: INCREASED DISCIPLINE IN THE ECONOMY

REF: A) HONG KONG 1464 B) HONG KONG 1479 C) PEKING 242

1. SUMMARY. THE CURRENT STUDY CAMPAIGN ON PROLETARIAN
DICTATORSHIP LAUNCHED BY A "PEOPLE'S DAILY" EDITORIAL
FEB. 7 HAS ADDED A SOBER SENSE OF DISCIPLINE TO THE PRAG-
MATIC ECONOMIC COURSE SET FORTH BY THE NPC. THIS THEME
IS EMERGING IN MEDIA REPORTS THAT COUPLE CRITICISM OF
MATERIAL INCENTIVES AND "CPITALIST REMNANTS" WITH PRAISE
FOR DISCIPLINE AND THE SPIRIT OF "SATURDAY VOLUNTARY LABOR".
THE IMPLICATION BEING THAT THE LEADERSHIP WILL RESPOND
FIRMLY TO "UNSACNTIONED " ACTIVITY ON THE PART OF LABOR OR
THE PEASANTRY. LOCAL CADRE WILL PROBABLY HAVE DIFFICULTY
IN SORTING OUT THE CORRECT MIX OF DISCIPLINE, REVOLUTIONARY
SPIRIT, AND MATERIAL INCENTIVES. END SUMMARY.

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2. THE CURRENT STUDY CAMPAIGN ON THE THEORY OF PROLE-
TARIAN DICTATORSHIP (REFTELS) HAS ADDED A SOBAR SENSE OF

ORDER AND DISCIPLINE TO THE GOAL OF PRAGMATIC ECONOMIC PROGRESS SET FORTH AT THE JANUARY NPC. GIVEN AUTHORITATIVE SANCTION BY A "PEOPLE'S DAILY" EDITORIAL FEB. 9, THIS THEME EMERGES STRONGLY IN AN ARTICLE ENTITLED "STUDY LENIN'S WORK ON PROLETARIAN DICTATORSHIP", ONE OF THREE ARTICLES ON THE SUBJECT OF PROLETARIAN DICTATORSHIP CARRIED IN THE FEBRAURY ISSUE OF "RED FLAG". THE ARTICLE COUPGES CORTICISM OF "MATERIAL INCENTIVES". AND OF THE "INNUMERABLE REMNANTS OF SMALL PRODUCTION" WITH PRAISE FOR "DISCIPLINE" AND THE SPIRIT OF "SATURDAY VOLUNTARY LABOR", WICH IT DESCRIBES AS "EXTENSIVE ORGANIZED LABOR WITHOUT REMUNERATION TO MEET THE NEEDS OF THE WHOLE COUNTRY".

3. THE MASES ARE TO TAKE THE "NEW ROAD OF ECONOMIC CONSTRUCTION, SOCIAL TIES, LABOR DISCIPLINE, AND LABOR ORGANIZATION." QUOTING LENIN, "RED FLAG" STATES "COMMUNIST THINGS" ONLY BEGIN TO COME INTO BEING WHEN THE "SATURDAY VOLUNTARY LABOR" EMERGES. AGAIN QUOTING LENIN, "RED FLAG" CALLS THIS "THE BEGINNING OF A CHANGE MORE DIFFICULT, MORE IMPORTANT, MORE PROFOUND AND MORE DECISIVE THAN THE OVERTHROW OF THE BOURGEOISIE".

4. THERE IS NO SENSE OF HURRY IN THE CALL TO TRANSFORM SOCIETY. AS "RED FLAG" PUTS IT, "TO OVERCOME THE SPONTANEOUS FORCES OF CAPITALISM ALLIED WITH TH FORCE OF HABIT OF THE OLD SOCIETY" IS "IMPOSSIBLE TO ACCOMPLISH AT ONE STROKE". SMALL SCALE CAPITALIST PRACTICES WILL BE TOLERATED AS TEMPORARY EXPEDIENTS. THE PRINCIPLE OF " TO EACH ACCORDING TO HIS WORK" STILL HAS A ROLE TO FULFILL, BUT IT IS "AFTER ALL NOT A COMMUNIST PRINCIPLE AND WILL EVENTUALLY BE ELIMINATED".

5. THERE IS A GLINT OF STEEL IN "RED FLAG'S" MESSAGE, AND THE IMPLICATIONS SEEM CLEAR FOR ANY ACTIVITY ON THE PART OF LABOR OR THE PEASANTRY THAT DOES NOT FIT THE STATE'S PLANS. ANY " DISRUPTIVE" ACTIVITY, SUCH AS PRESSURE FOR OTHER THAN MINIMAL WAGE INCREASES AND BONUSES, WORK SLOW-DOWNS, "CAPITALIST TENDENCIES" AND PEASANT RESISTANCE TO TIGHTER COLLECTIVIZATION SEEMS LIKELY TO MEET WITH A LIMITED OFFICIAL USE
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FIRM RESPONSE FROM THE CENTER.

6. WITH MATERIAL INCENTIVES DISCOURAGED AND REVOLUTIONARY SPIRIT DAMPENED, A MEASURE OF DISCIPLINE WILL UNDOUBTEDLY BE NEEDED TO PROPEL THE CONOMY TOWARD CHOU EN-LAI'S GOAL OF ACHIEVING A "MODERN SOCIALIST SOCIETY" BEFORE THE 21ST CENTURY. A MAJOR PROBLEM WILL PROBABLY ARISE AT THE LOCAL LEVELS WHERE CADRE WILL ALMOST CERTAINLY HAVE DIFFICULTY SORTING OUT THE "CORRECT" MIX BETWEEN DISCIPLINE, REVOLUTIONARY SPIRIT, AND MATERIAL

INCENTIVE.
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